



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 8, 2010

Petitioners

Shaundria Whitmer
Route 3, Box 3383
Myton, UT 84052
Certified Mail: 7004 1160 0003 0190 3768

Ronald Murdock
1587 East 3790 South
Salt Lake City, UT 84124
Certified Mail: 7004 1160 0003 0190 3782

Mac E. Murdock
HC 67 Box 105
Fort Duchesne, UT 84026
Certified Mail: 7004 1160 0003 0190 3805

Benny Murdock
1069 Woodstock Road
King George, VA 22485-6001
Certified Mail: 7004 1160 0003 0190 3829

Respondents

Mountain Oil and Gas, Inc.
P.O. Box 1574
Roosevelt, UT 84066
Certified Mail: 7004 1160 0003 0190 3836

Robbin Murdock
P. O. Box 732
Fort Duchesne, UT 84026
Certified Mail: 7004 1160 0003 0190 3775

Joyce Murdock
HC 67 Box 188
Fort Duchesne, UT 84026
Certified Mail: 7004 1160 0003 0190 3799

Stuart Murdock
8686 West Antler Avenue
Redmond, OR 97756
Certified Mail: 7004 1160 0003 0190 3812

Homeland Gas and Oil, Ltd
P.O. Box 1776
Roosevelt, UT 84066
Certified Mail: 7004 1160 0003 0190 3843

Dear Petitioners and Respondents:

In accordance with the decision rendered by the Board of Oil, Gas and Mining on January 27, 2010, the Division has commenced a sixty day investigation and negotiation period for Docket No.'s 2010-001 through 2010-007, Cause No. 131-127, (listed petitioners above) vs. Mountain Oil and Gas, Inc. and Homeland Gas and Oil, Ltd (respondents). The Division will hold a meeting with the parties or representatives appointed by the parties in this matter on March 3, 2010, at 10:00 AM in the Department of Natural Resources Building, 1594 West North Temple, Room 1010.



As negotiator in this matter the Division requests that each party provide by February 24, 2010, the following records relevant to this investigation concerning Section 2, Township 2 South, Range 1 East, USM, Uintah County, Utah (the subject drilling unit):

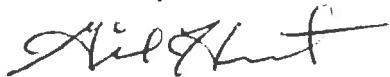
1. Certification of ownership and entitlement to mineral rights in the subject drilling unit as follows:
 - a. Leases and/or other documents certifying ownership and chain of title.
 - b. Documentation identifying entitlement to royalty proceeds from revenues.
 - c. Federal unit/communitization agreement documentation identifying tract allocation participation percentage.
 - d. Division Orders, title opinions, or other documents identifying ownership.
2. A full accounting of records for the period January 1, 2004, to the present for the subject drilling unit for the following:
 - a. Oil, gas, and natural gas liquids sales or other distributions from purchasers.
 - b. Royalty interests paid.
 - c. Royalties held in suspense and placed in escrow.
 - d. Well production and disposition of products.
 - e. Gross operating costs.
3. Evidence supporting the claim being made.
4. Evidence disputing the claim being made.

The above requested information should be submitted to the Division in electronic format (i.e., PDF files, spreadsheets, word processing documents, etc.) to clintondworshak@utah.gov, Clinton Dworshak, Compliance Manager.

The Division recommends that each party come to the meeting prepared to place a reasonable offer for settlement of this issue before the Division. The Division will present the offer to the opposing party in a private and separate room for their consideration. Any statements or offers made at the negotiations will be considered to be protected under the rules of evidence from disclosure, at any subsequent hearing if the board elects to hold a hearing. However, the Division is not authorized to render judicial opinions or interpretations of law and will therefore not decide or rule on any legal issues regarding this matter.

Copies of any documents sent to the Division should also be sent to the other parties involved. Questions pertaining to this meeting should be directed to Clinton Dworshak, at 801-538-5280 clintondworshak@utah.gov; Randy M. Thackeray at 801-538-5316, randythackeray@utah.gov; or Steve Alder at 801-538-5348 stevealder@utah.gov.

Sincerely,



Gil Hunt
Associate Director Oil & Gas